Definition of Management – Science or Art – Manager Vs Entrepreneur - Types of Managers –Managerial Roles and Skills – Evolution of Management – Scientific, Human Relations , System and Contingency Approaches

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Professor in Management

MANAGEMENT

The process of dealing with or controlling things or people

Harold Koontz

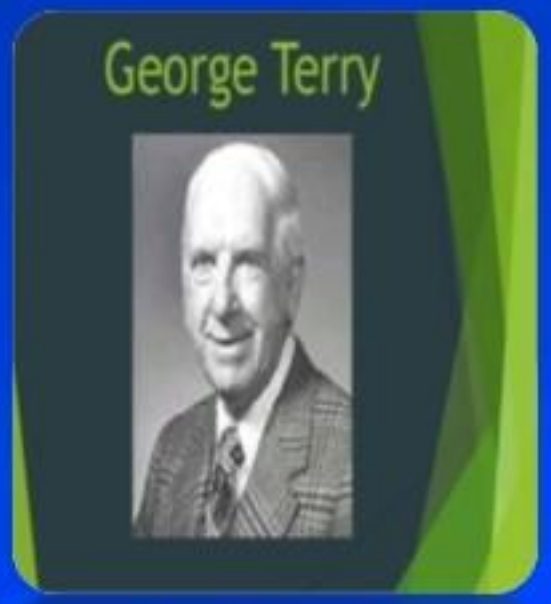
" Management is the art of getting things done through others and with the people in formally organized groups."

" Management is the process of Designing & Maintaining an environment in which individuals, working together in groups efficiently to accomplish selected aims . "

Harold Koontz (1909-1984) was professor of business management at University of California, Los Angeles. He was a consultant for US largest business organizations.

Geroge Terry

" Management is the process of Planning, Organizing, Staffing, Directing and Controlling to accomplish organizational objectives through the coordinated use of human and material resources."



" Management is not people ; It is an activity like walking ,reading, swimming or running. People who perform management can be designated as managers ,members of management or Executive Leaders. "

Ross Moore : " Management means Decision Making "

Donald J.Clough : "Management is the art & science of Decision Making and Leadership

Joseph L.Massie : " Management is the process by which a co-operative group directs actions towards common goals"

Peter F.Drucker : " Management is an organ; organs can be described and defined only through their functions.

EFFICIENCY & EFFECTIVENESS

Management is Coordination and oversight of the work activities of others so that their activities are completed efficiently and effectively.

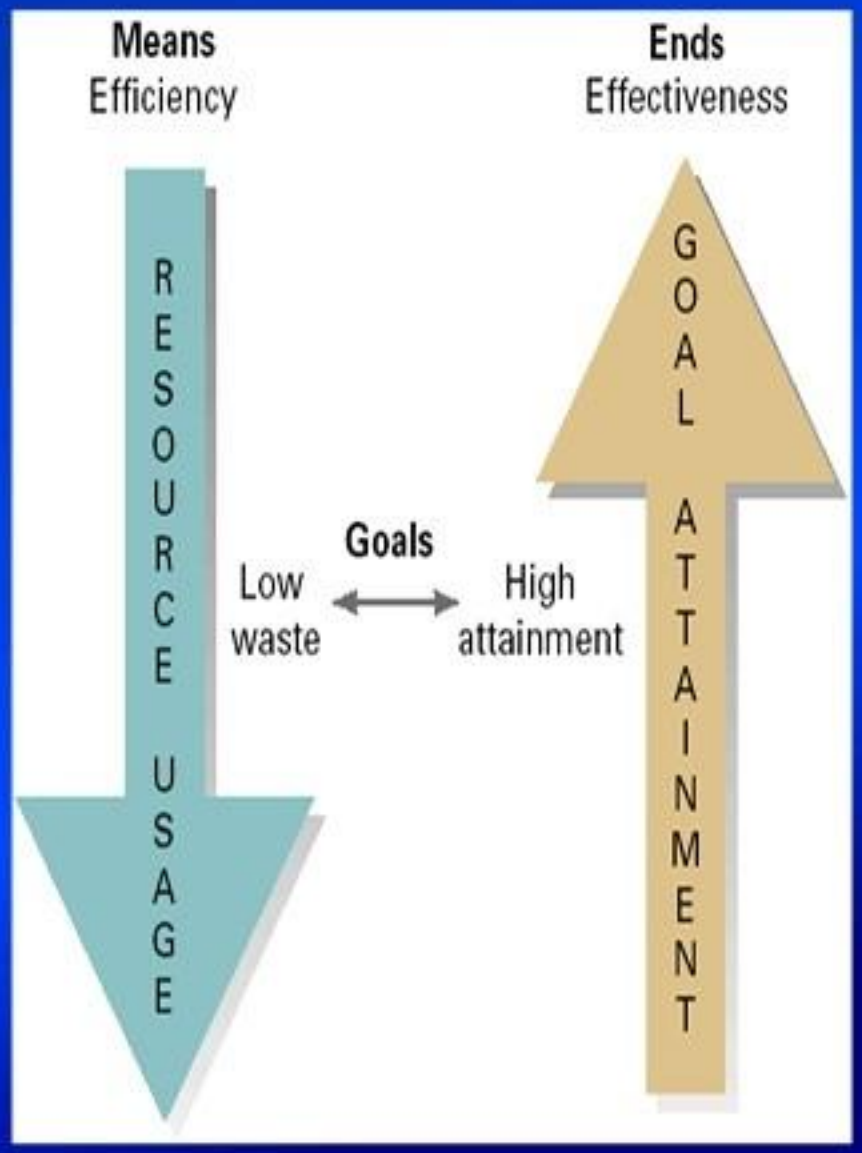
Efficiency

Doing things Rights or Getting the most Output from the least amount of inputs.

Effectiveness

Completing activities so that organizational goals are attained

Productivity = Outputs / Inputs (within a Time Period Quality Considered)



Nature & characteristics of Management

- It is a separate/Social process.
  (Management is done by people, through people & for people. It is social process because it is concerned with interpersonal relations.)

- It is an organized activity/Group activity
  (Efficient use of Resources-Men, Money, Material)

- It is an Integrating process
- It aims at the accomplishment of predetermined objectives.
  (Integrates Human, Machine, Materials and other resources for out the operations and for achieving the stated objective)

- It applies Economic Principles
  (Art of control of Human & Materials)
- Universality of Management
  (Management are universal, these can be applied in different situations Ex : Business, Government, Education Military, Hospitals.).

- It is Interdisciplinary /Multidisciplinary

(It depends from several disciplines like Engineering, Sociology, Psychology, Economics etc.)

- It is intangible

(It is abstract & cannot seen. It is evidenced by the quality & result)

- It is Dynamic not Static

(It adapts itself to social changes & also introduces innovation in methodology)

- It is Science as well as an Art

(It contains a systematic body of theoretical Knowledge as well as the practical application of such knowledge.)

- It is a profession

(Work,Job,Career ,Business etc)

SCOPE OF MANAGEMENT

- ✓ **Financial Management**
- ✓ **Production Management**
- ✓ **Marketing Management**
- ✓ **Maintenance Management**
- ✓ **Transport Management**

OBJECTIVES OF MANAGEMENT

- ❖ **Getting maximum results with minimum efforts**
- ❖ **Increasing the efficiency of factors of production**
- ❖ **Maximum prosperity for employer and employees**
- ❖ **Human betterment & social justice**
- ❖ **Reduce costs**
- ❖ **Establishes Equilibrium**
- ❖ **Establishes sound organizations**

Why study Management ?

All size of organizations
Small ←→ Large

All organizational Areas
Manufacturing, Marketing, Human Resources, Accounting etc

Management is needed in

All type of organizations
Profit←→ Not for Profit

All organization Levels
Bottom ←→ Top

Reason 1 : Universality of Management

Management is needed in all types & sizes of organizations at all levels and all work areas & in all organizations. This is known as "Universality of Management "

Reason 2 : Reality of work

Another reason for studying management is the reality that for most of you : "**You will eventually either manage or be managed** "

IMPORTANCE OF MANAGEMENT PRINCIPLES

- **Improve understanding**
  (How to manage in organization/Given task & make managers more efficient)
- **Direction for Training of Managers**
  (understand process & existing /future managers should be trained)
- **Role of Management**
- **Utilization of Resources effectively**
- **Guide to Research in Management**
- **Fulfillment of Social responsibility/commitment**
- **Stability**
- **Human Development**
- **Achievement of Group Goals**

MANAGEMENT IS SCIENCE OR AN ART

Management as a process

It is a series of interrelated functions.

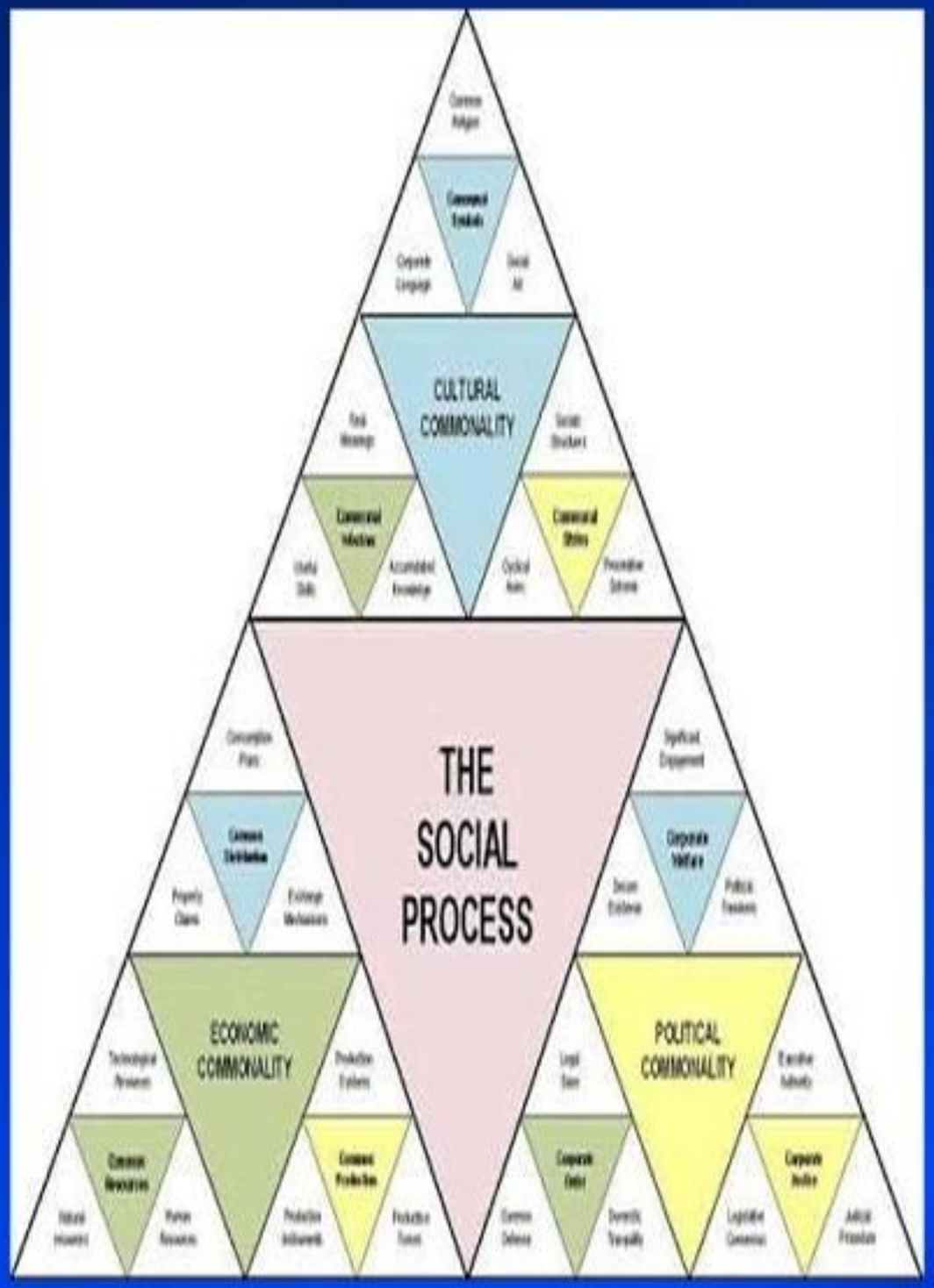
It is the process by which management creates, operates and directs purposive organization through systematic, coordinated and cooperated human efforts.

Geroge Terry

" Management is a distinct process consisting of Planning, Organizing, Directing and Controlling"

As a process management consists of three aspects

1. Social Process
2. Integrating Process
3. Continuous Process



7 type of resources
People
Money
Time
Work Procedures
Energy
Materials
Equipment

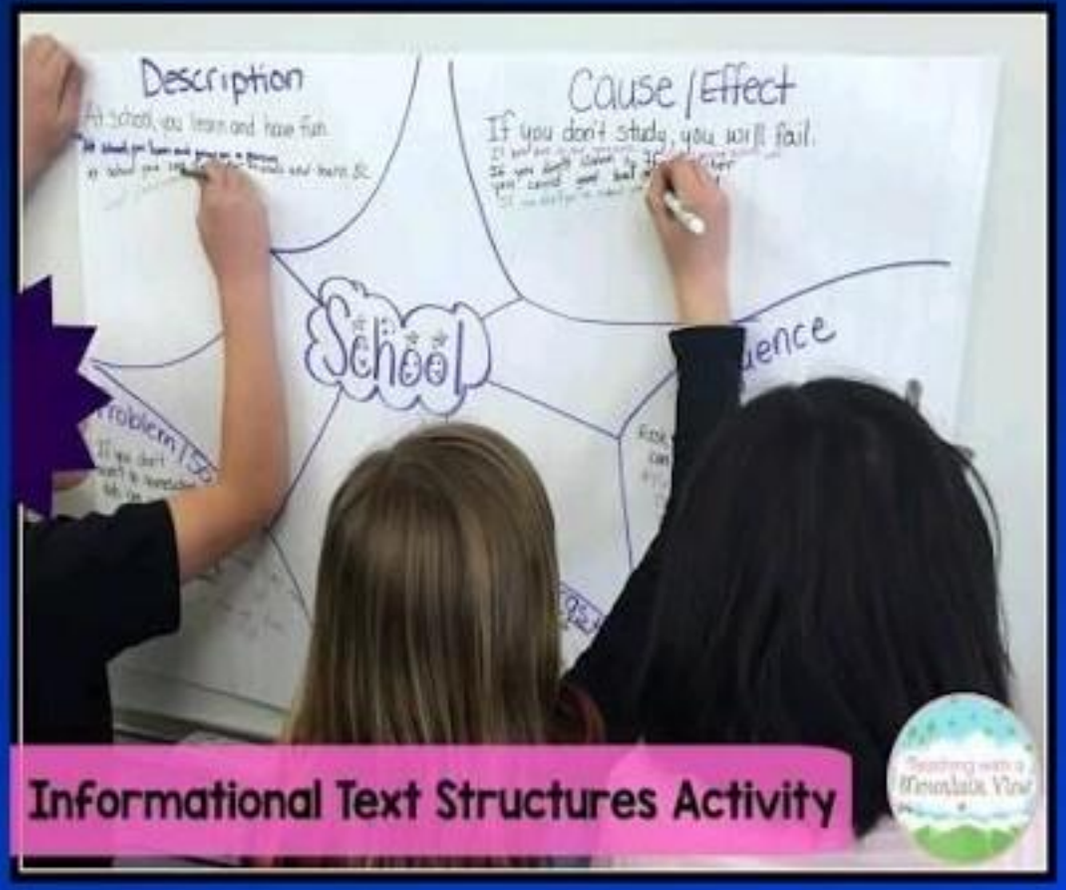
Management as an Activity

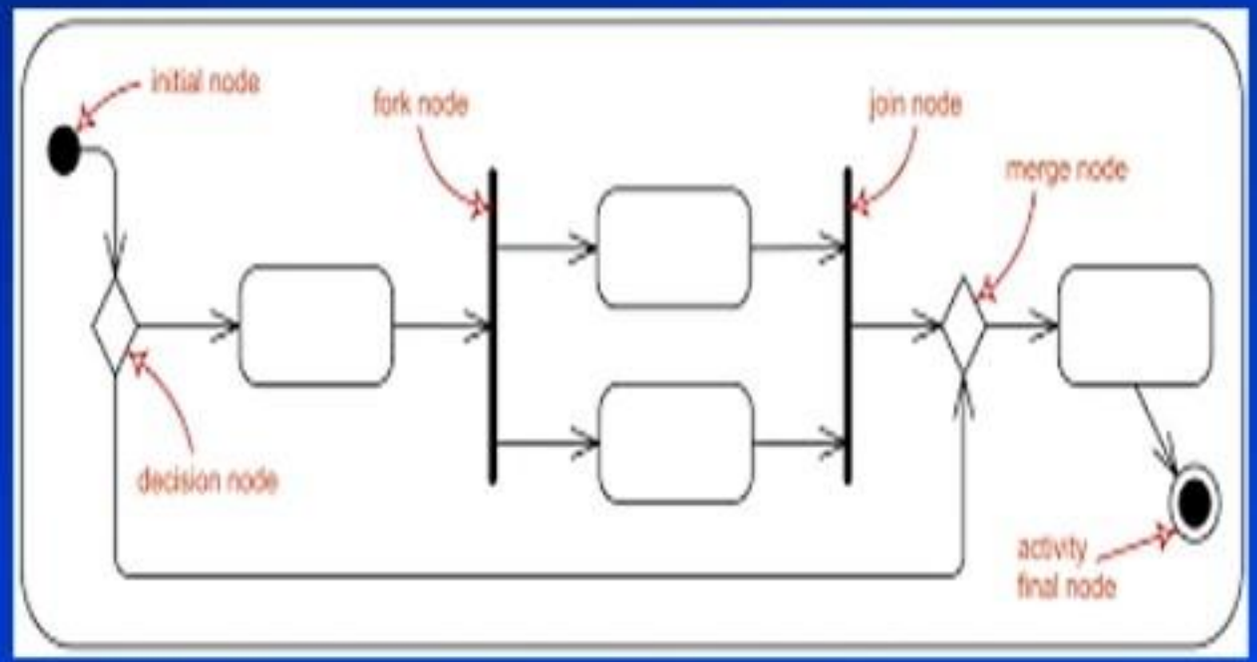
Management is also an activity because a manage is one who accomplishes the objectives by directing the efforts by others.

Harold Koontz

"Management is what a manager does" . An activity includes

1. Informational Activities
2. Decisional Activities
3. Interpersonal Activities





Interpersonal Intelligence

Consists of the ability to sense other people's moods an feelings, communicate and cooperate with others

The Interpersonal Learner

1. talks and has friends;
2. works well in groups and peer teaching;
3. shares, compares, interviews;
4. organizes, leads and mediates.

Management as an Profession

In growing competition management world, have lead to an increased demand for professionally qualified managers.

- Managers are responsible to many groups such as shareholders, employees and society.
- All managers are supposed to stand by the code formulated by AIMA (All India Management Association)
- Managers are known by their performance & not more degrees.

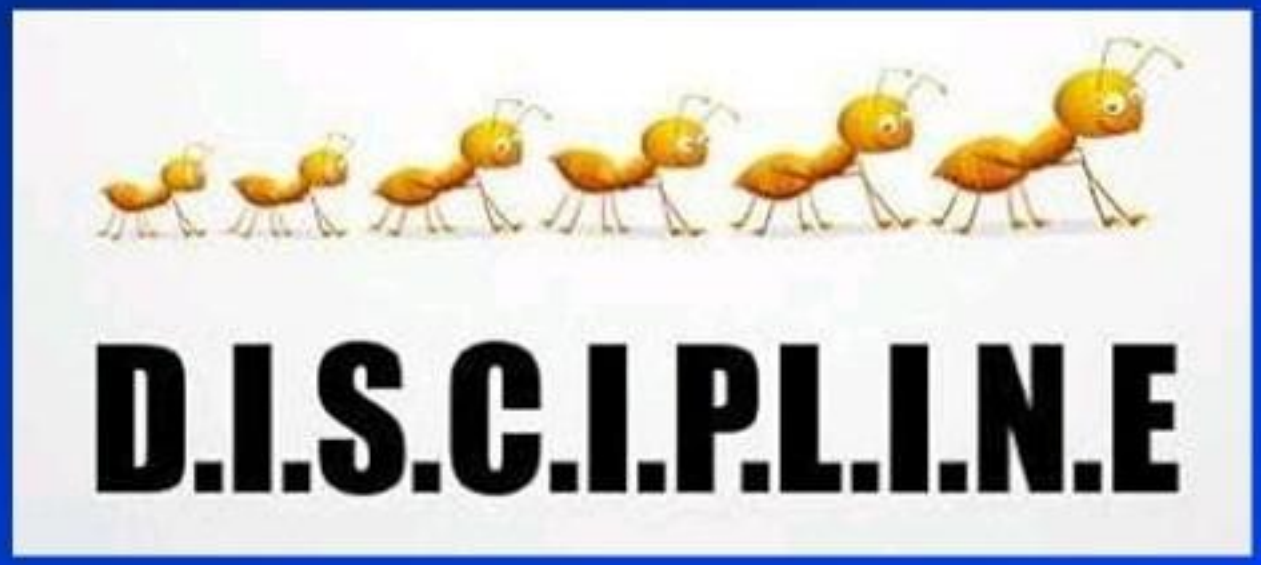
AIMA
ALL INDIA MANAGEMENT ASSOCIATION
www.aima.com

AIMA was created in 1957
New Delhi
AICTE, IIT, Bureau of Indian standard
National Productivity Council

Management as a Discipline

It refers to that branch of knowledge which is connected to study of principles & practices of basic administration .

→ Certain code of conduct to be followed by the manager and members



Management as a Group

Management as a group refers to all those persons who perform the task of managing an enterprise.

→ All managers taken together

→ Managers have become a part of elite (Best) group of society

Is Management is science or an art ?

→ Concept of management is universal & very old

→Lot of controversy arises whether management is science or art or both.

→ It changes time to time

→ Continuous & rapid (Fast) development of management principles & practices in organization has changed nature of management.

" Management is the oldest of arts and youngest of science"

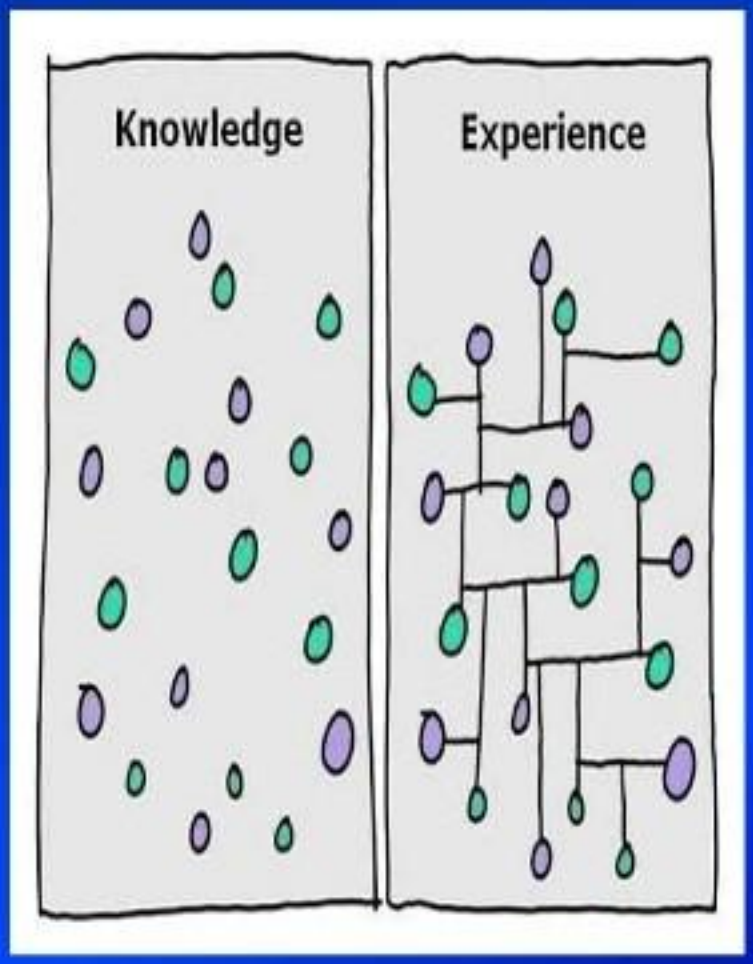
Management as an art

→ Art is bridging about of a desired result through the application of skill

→It is learned from practice and experience

→ Certainly an art as manager uses this skill, knowledge and experience in solving various problems

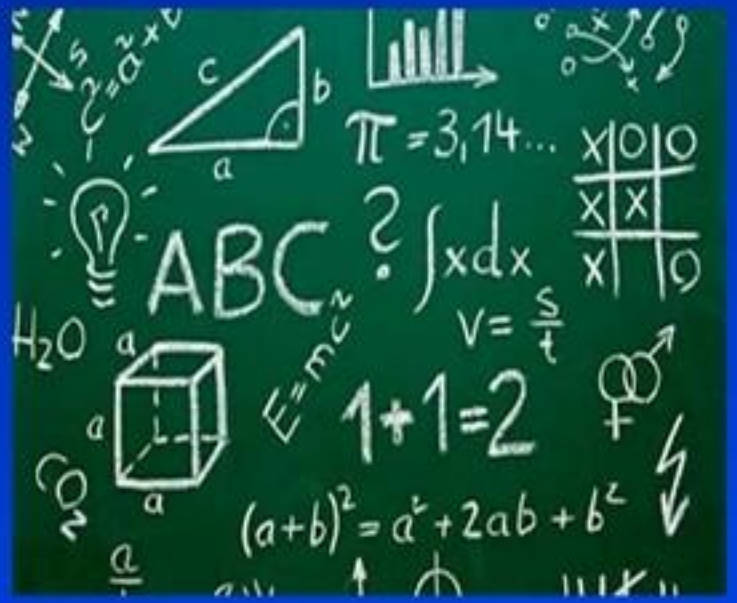
→ Both complicated & non complicated that arise in the working of his enterprise successful

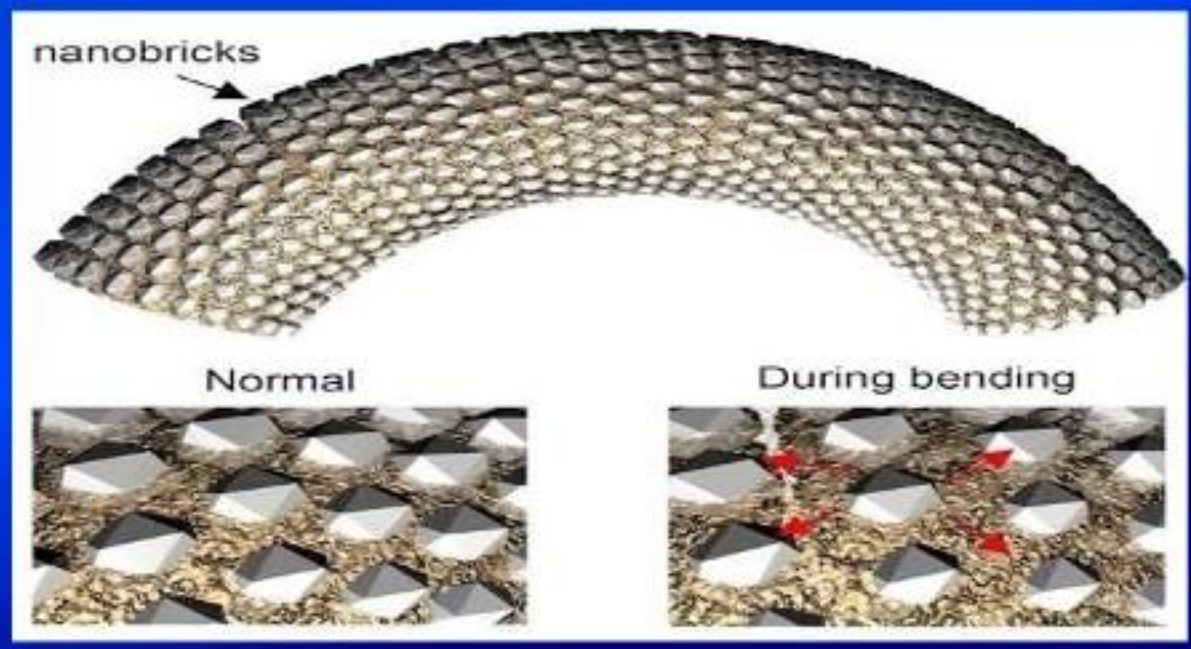


Management as a science

→ Science may be described as systematized body of knowledge based on proper findings and exact principles and is capable of verification

→ Science is organized knowledge





Maths ?

→ Cause and effect relationship between two or more variables

Physics ?

→Observation & verification through testing

→It also developed some systemized knowledge

Social science ?

→It falls in the area of 'social science (Process) '

Flexible science ?

→ May produce different results at different times

→ It is behavior science

" Management is not as exact science as other Physical science like physics, chemistry, maths ,biology, astronomy etc

Management is an art and science Both

→Science provides the knowledge

→Art deals with the application of knowledge and skills

Thus, it has now been accepted that management is an art as well as science. It has the elements of both arts and science.

" Manager are not Born, Manager are made"

MANAGER vs ENTREPRENEUR

Entrepreneurs and professional managers are the two sides of the coin

Who are Manager ?

A manager is someone who coordinates and overseas the work of other people in order to accomplish organizational goals.

** Manager job is not about personal achievements. Its about helping others do their work. i.e Coordinating the work of a departmental group.

Organization need managers or Good Managers?

NO, Not just Good Managers. They need Great Managers

Who are Entrepreneur ?

An entrepreneur (Owner of organization) is a person , who is motivated to satisfy a high need for achievement in innovative and creative activities.

He is a great motivator to start his new business and manage it successfully. Taking on financial risks in the hope of profit.

Similarities between Managers and Entrepreneurs

- To produce results
- To produce results through people
- To take decisions
- To cooperate under constraints
- To follow sound principles of management

A successful organization needs both entrepreneurship and management. The entrepreneur may be a manager but a paid manager cannot acquire the position of an entrepreneur.

Distinctive Features of Entrepreneurs and Professional Manager

Professional Manager (Executor or Servant)	Entrepreneur (Owner or Innovator)
1. Setting of objectives	1. Perception of an/opportunity
2. Policy formulation	2. Risk-taking
3. Strategic Planning	3. Tactical Planning
4. Formal communication	4. Interpersonal communication
5. Organising	5. Negotiating
6. Motivating	6. Troubleshooting
7 Controlling	7. Making it a growing concern
8. Administrator	8. Innovator
9. Skilled, knowledgeable	9. Motivator
10. Confident	10. Determined
11. Specialist	11. Idealist
12. Loyal	12. Committed
13. Planner	13. Visionary
14. Implementer	14. Planner

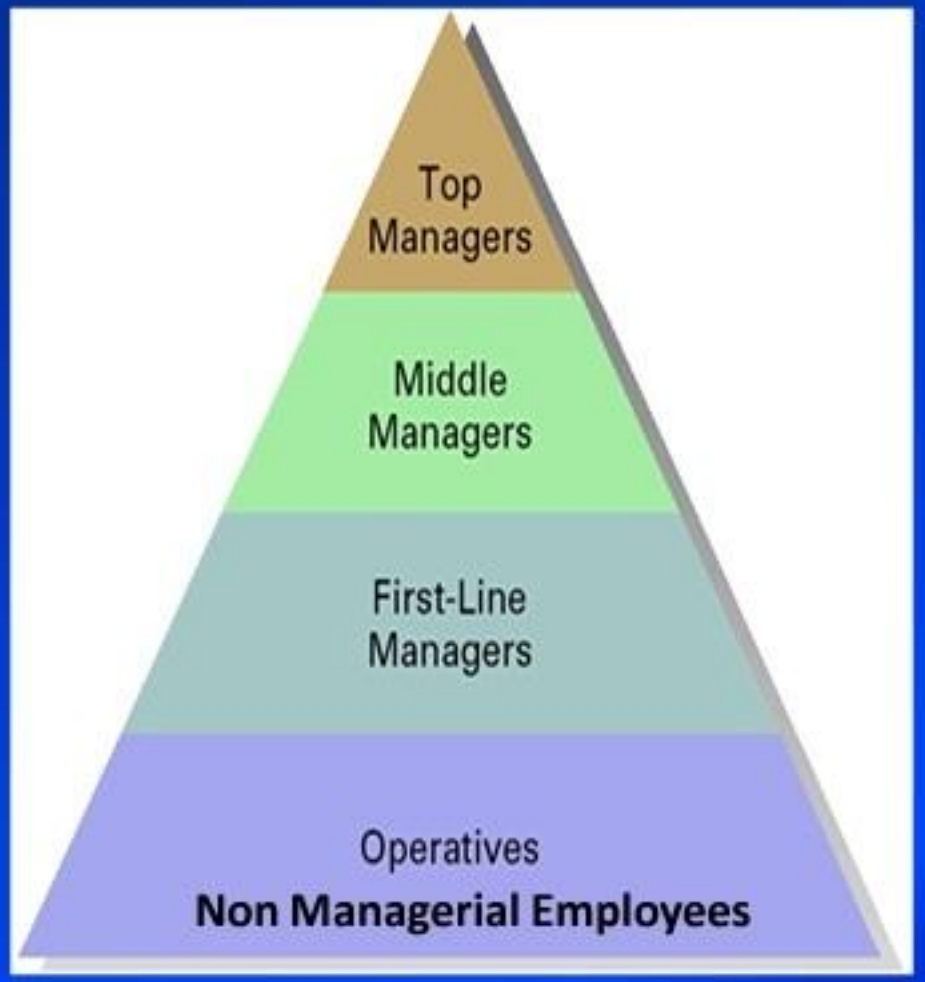
Characteristic	Entrepreneur	Manager
Behaviour Characterized by	Desire for Control	Delegation of Authority
Management Style	One-Man Show	Management Team
Driving Force	Creativity - Innovation	Establish and Preserve the Status Quo
Organizational Growth	Rapid Reaction	Strategic Planning
Organization Structure	Informal, Flexible	Organized
Decision-Making	Intuitive	Collect Information and Seek Advice
Definition of Aims	In terms of "Vision"	In Commercial Terms
Attitude to Money	A By-Product	Measure of Success
Attitude to Risk	Calculated Risks	Avoidance of Risks
Organizational Culture	"Entrepreneurial Culture"	"Management Culture"

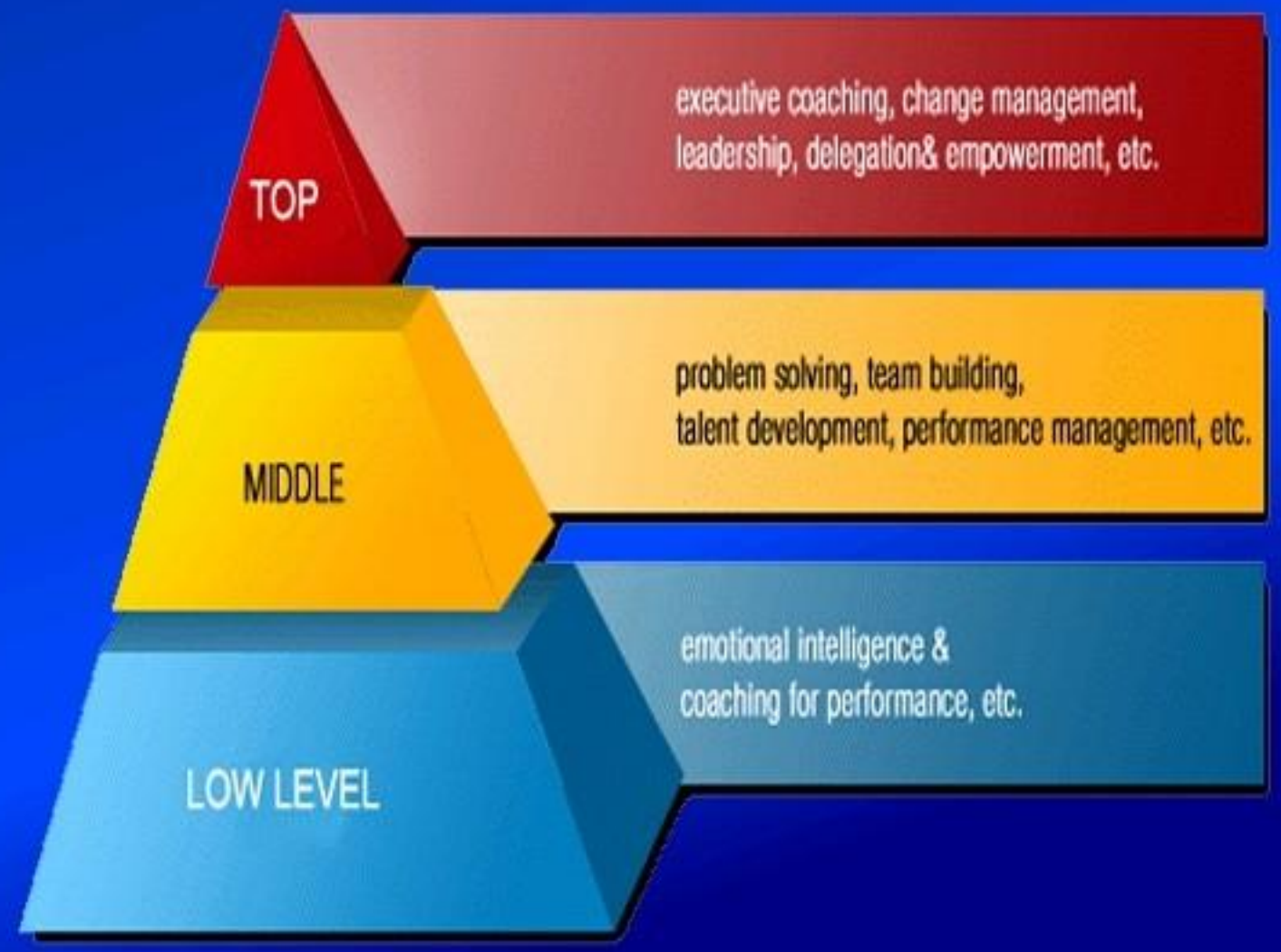
ENTREPRENEUR VS BANK MANAGER
Yeah, well...
I should run even faster than this because I dont have any collateral. And even the "lowered" interest you charge is HUGE. So keep your money...
because i am going for a ZIDISHA loan! There is no collateral required and no interest charged. It's very affordable!! I will never come back to you...
Hey! Hey!
Why are you running away? I have a huge amount of money! You came for a loan, and now you're running like a jet...
I even will give you more than what you have requested! And I will reduce the collateral and the interest for you. Come back...
Entrepreneur
Bank Manager

TYPES OF MANAGER

Levels of Management

- **Top Level Management**
- **Middle Level Management**
- **Low Level Management**




TOP
executive coaching, change management, leadership, delegation& empowerment, etc.
MIDDLE
problem solving, team building, talent development, performance management, etc.
LOW LEVEL
emotional intelligence & coaching for performance, etc.

Top Level Managers

Chief Executive Officer

President/Vice President

Managing Director

Set organizational goals strategies to implement them and make decisions

Middle managers

Sales manager

Branch manager

Department Head

Heads of various departments & organize human & other resources to achieve organizational goals

First-line managers

Crew leader

Supervisor/foreman

Head Nurse/office manager

Often called supervisors stand at the base of the managerial hierarchy

WHAT MAKE MANAGERS SUCCESSFUL?

- Hard work
- Smart work
- Patience
- Out of box thinking
- Reading and acquiring knowledge
- Ethical consciousness
- Collaborative relationship
- Perseverance

MANAGER ROLES

Specific categories of Managerial behavior

Manager is responsible to integrates all the activities which are performed in an organization.

Managerial Roles

1. Interpersonal Roles

Leadership Role Your leadership is expressed in your decisions about training, motivating and disciplining people

Figurehead Role you perform symbolic tasks that represent the organization

Cooperation

Liaison Role you act like a politician, forming outside alliances that will help you achieve your organization's goals

Managerial Roles

2. Informational Roles

Monitor Role you should be constantly alert for useful information

Disseminator Role managers need to constantly disseminate important information to employees via e-mail and meetings

Spokesperson Role to act as diplomat and put the best face on the activities of your work unit or organization to people outside it

Managerial Roles

3. Decisional Roles

Entrepreneur Role to initiate and encourage change and innovation

Disturbance Handler Role
unforeseen problems require you to be a disturbance handler, fixing problems

Resource Allocator Role
you'll never have enough time, money and so on, so you'll have to set priorities about the use of resources

Negotiator Role
working with others outside and inside the organization to accomplish your goals

Director : Gives direction or instruction to people working under

Motivator : Motivation stimulates the performance of job

Human Being : All are equally treated & no personal bias

Guide : Well aware of using equipment techniques & producers

Friend : Come forward voluntarily & eliminate the misunderstanding

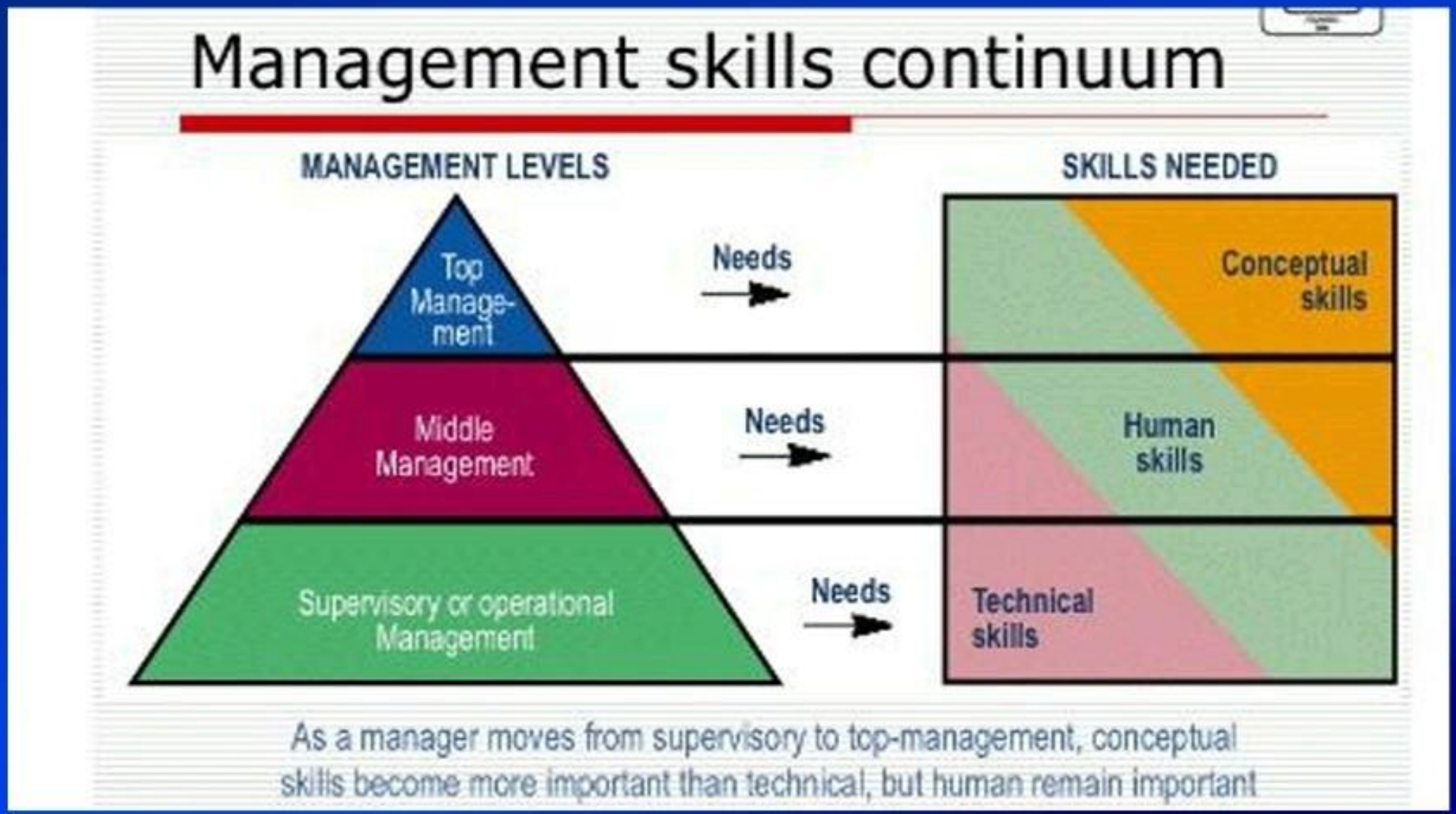
Planner : Plan the work & assign to executives

Supervisor : Supervise ,control & executives performance

Reporter : communicated between top management & subordinate, Reported to top authorities

MANAGER SKILLS

The Ability to do something well; expertise "difficult work, taking great skill



CONCEPTUAL SKILLS

- Ability to visualize
- Includes creative, analytical and innovative skills
- Identify the problems and not symptoms
- Helps manager to fix goals
- Conceptual skills are mostly required by the top-level management because they spend more time in planning, organising and problem solving.

Ability of an individual to analyze complex situations and to rationally process and interpret available information.

2- Human skills:

The ability to work with, motivate, and counsel people who need help and guidance; most important to middle- level managers

- Human relations skills are directly related to a manager's leadership abilities

- Ability to get things done by understanding and working through others outside of formally prescribed organizational mechanisms is crucial for managerial success

Technical Skills : ability to use tools, procedures & techniques in a specialized area.

Political Skills : A manager's ability to build a power base and establish the right connections

Leaders who can build that strong relationship with frontline employees

Human Relational

Technical

Conceptual

Top Level Managers

Middle Level Managers

Direct Supervisor/Low Level Mangers

Responsibilities of a Professional Manager

Manager is responsible for the non performance of any work ,
He is answerable to everybody

1. Planning of work
2. Proper & Effective communication
3. Coordination of efforts
4. Getting co operation of Employees
5. Encourages a Team Sprit
6. Better utilization of resources
7. Selecting the producers
8. Maintaining Good Human Relation
9. Solve the problem
10. Arranging training & Development Facilities

Applying The Concept 1

Management Skills

Identify each activity as being one of the following types of management skills:

a. technical
b. interpersonal
c. decision making

____ 1. The manager is giving an employee a sincere "thank you" for finishing the job ahead of schedule.

____ 2. The manager is scheduling employee work hours for next week.

____ 3. The manager is writing an e-mail.

____ 4. The manager is running a machine for an employee who is out sick.

____ 5. The manager is trying to figure out why the department is behind schedule.

Applying The Concept 2

Management Functions

Indicate which type of function the manager is performing in each situation:

a. planning
b. organizing
c. leading
d. controlling
e. nonmanagement

____ 6. The manager is encouraging an employee to get an important order ready today.

____ 7. The manager is conducting a job interview to fill the position of a retiring employee.

____ 8. The production manager is making copies in the office.

____ 9. The manager is determining how many units were produced during the first half of the shift.

____10. The manager is teaching the waiter how to use the computer ordering system.

Applying The Concept 4

Differences among Management Levels

Identify the level of management in the following five instances:

a. top
b. middle
c. first-line

____16. Managers who are supervised directly by executives.

____17. Managers who have a greater need for technical skills.

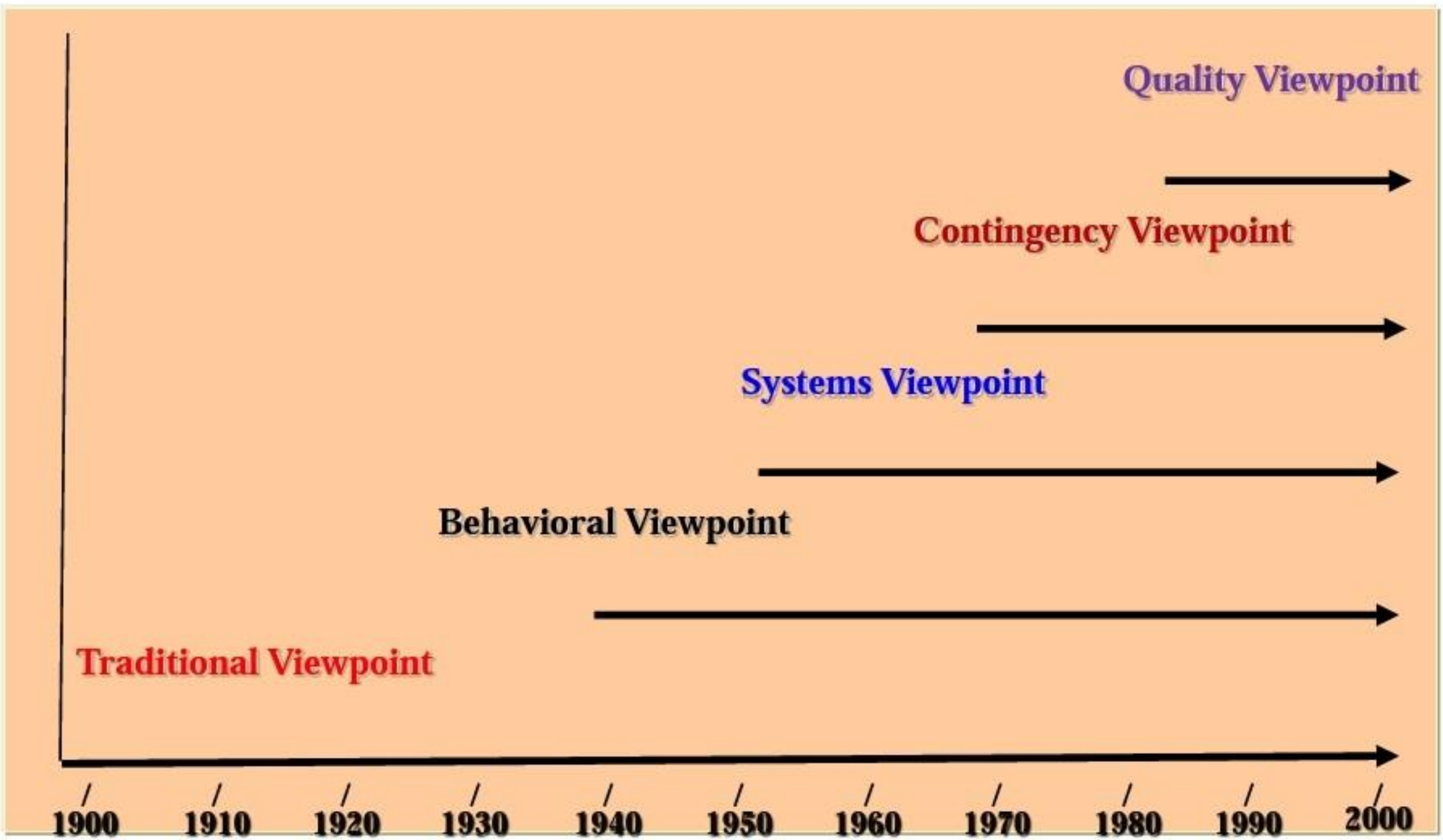
____18. Managers who spend more time planning and organizing.

____19. Managers who oversee the performance of operative employees.

____20. Managers who develop short-term operating plans.

Evolution of Management

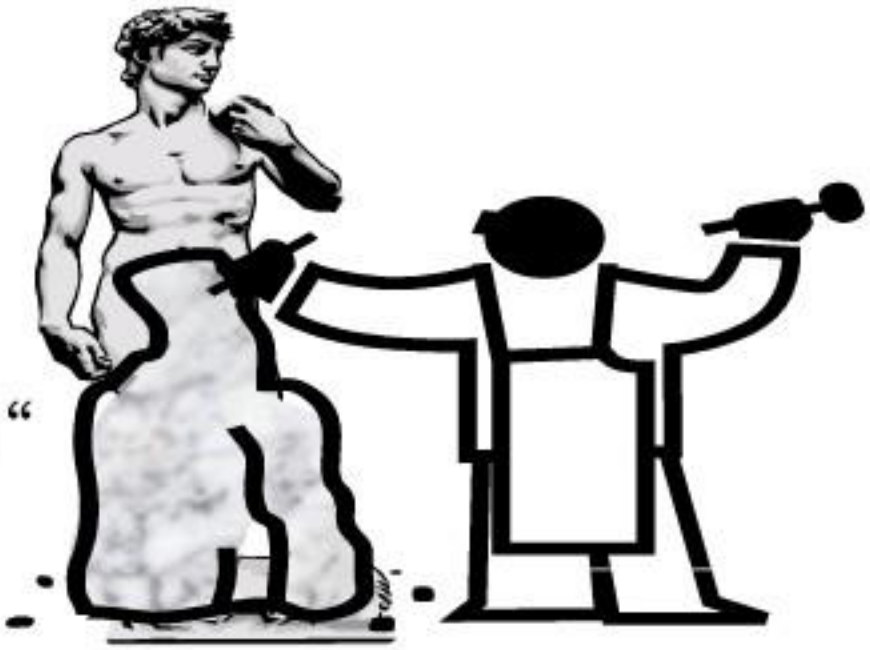
Historical Roots of Modern Management



Two events are especially significant to management History

Ancient massive construction projects

- Egyptian pyramids
- Great Wall of China



Point 1 : " Division of Labor "

Adam Smith's Published "The wealth of Nation "

- ❖ Society would Gain
- ❖ Job Specialization

(The breakdown of jobs into narrow and Repetitive Tasks)

Point 2 : " Industrial Revolution

Machine power was substituted for Human Power
Lead to mass production of economical goods
Created larger markets for goods

Classical Approach

1.Scientific management theorists

Fredrick W. Taylor (Father of Scientific Management)
Frank and Lillian Gilbreth, and Henry Gantt

2. General administrative theorist

Henri Fayol and Max Weber

Scientific Management

Taylor's Four Principles of Management

1. Develop a science for each element of an individual's work, which replaces the old rule-of-thumb method.
2. Scientifically select and then train, teach, and develop the worker. (Previously, workers chose their own work)
3. Heartily cooperation between management & workers
4. Divide work and responsibility almost equally between management and workers.

Frank & Lillian Gilbreth

Techniques of scientific management

1. Time Study [Standard Time * working Hours = Fair Day's work]
2. Motion Study
3. Standardization
4. Differential piece wage (Pay) plan

Henry Gantt

1. Incentive compensation systems
2. Gantt chart for scheduling work operations

Criticism of scientific management

1.Workers point of view

2. Employer's point of view

Administrative Management

General administrative theorists

The subject of management from the perspective of the entire organization . This approach known as General Administrative theory , it is focused more on what managers do and what constitutes good management practice

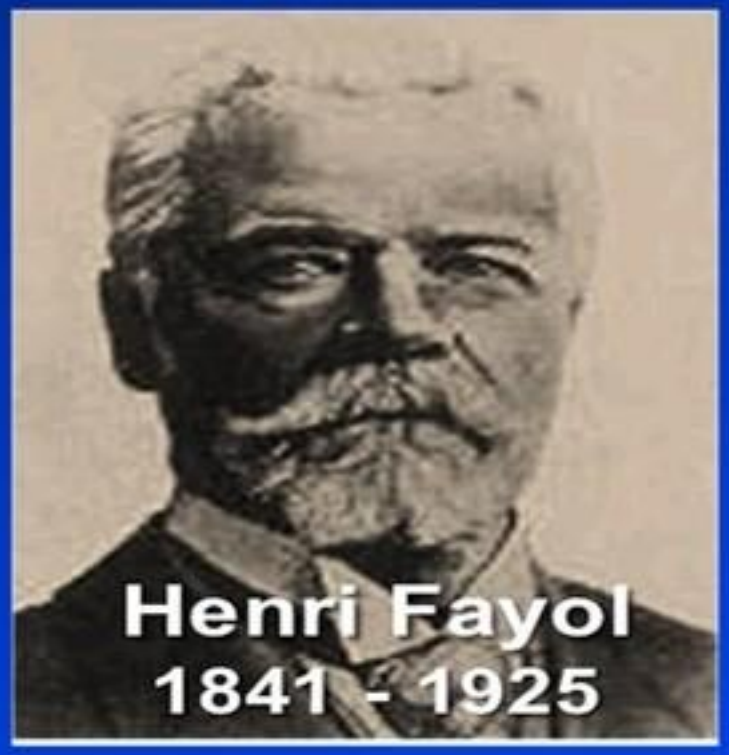
1. Henri Fayol (France)

Fourteen Principles of Management: Fundamental or universal principles of management practice

2. Max Weber (Germany)

Bureaucracy (Government): Ideal type of organization characterized by division of labor, a clearly defined hierarchy, detailed rules and regulations, and impersonal relationships

Fourteen Principles of Management by HENRI FAYOL



1. **Division of work**
2. **Authority**
3. **Discipline**
4. **Unity of command**
5. **Unity of direction**
6. **Subordination of the individual**
7. **Remuneration**
8. **Centralization**
9. **Scalar chain**
10. **Order**
11. **Equity**
12. **Stability of tenure of personnel**
13. **Initiative**
14. **Esprit de corps**

Division of Work

→ Allows for job specialization.

→ Should not be overloaded , Avoid same work to many people

→ Same targeted work (1.Speclist 2. Mistakes overcome)

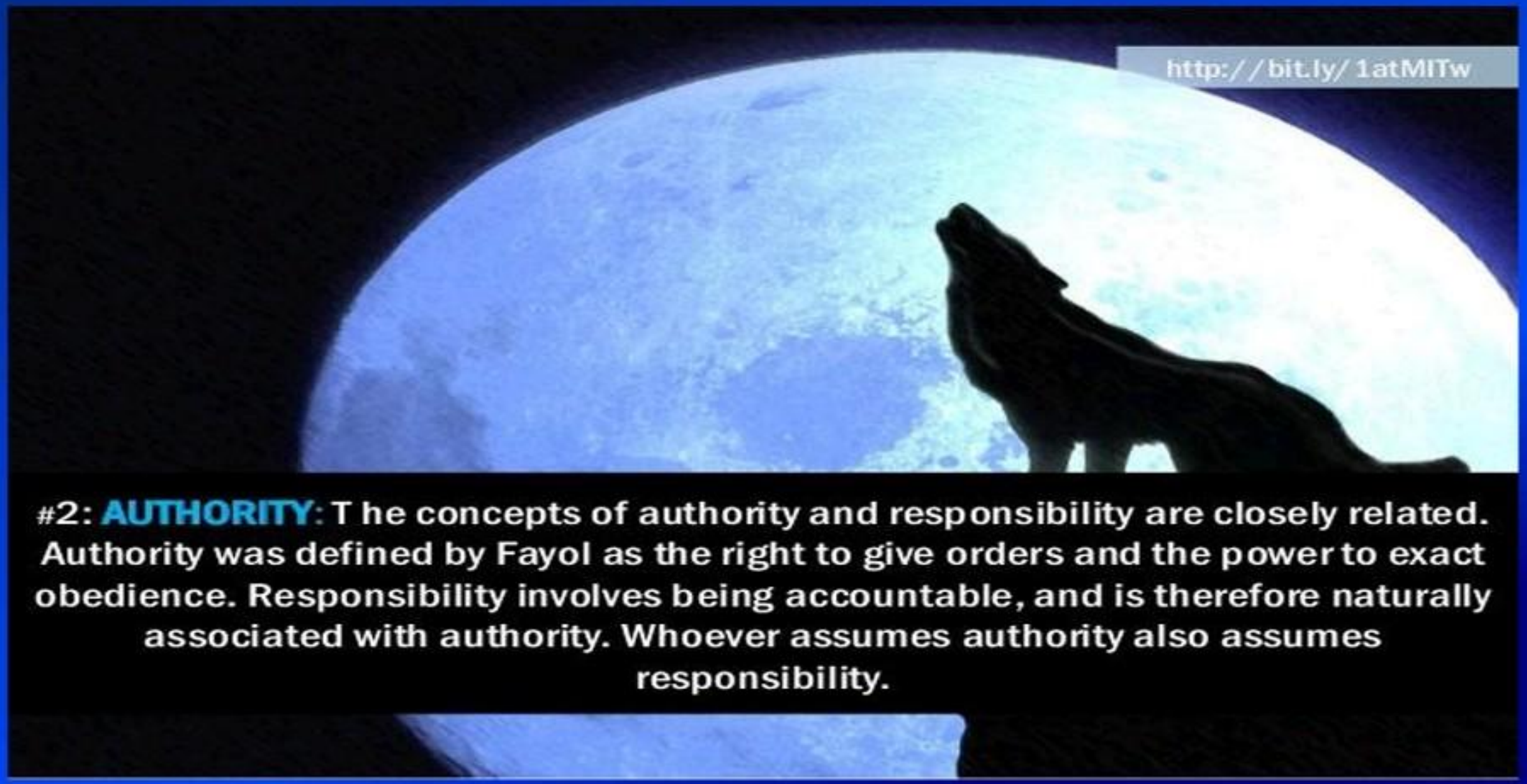
http://bit.ly/1d6Fxl7
#1: DIVISION OF WORK: Work should be divided among individuals and groups to ensure that effort and attention are focused on special portions of the task.

Authority and Responsibility [POWER – DUTY]

→ Authority right to give orders.

→ Only few or selected people (Many people creating conflicts)

→ Responsibility involves being answerable
(Ownership of that Fail)

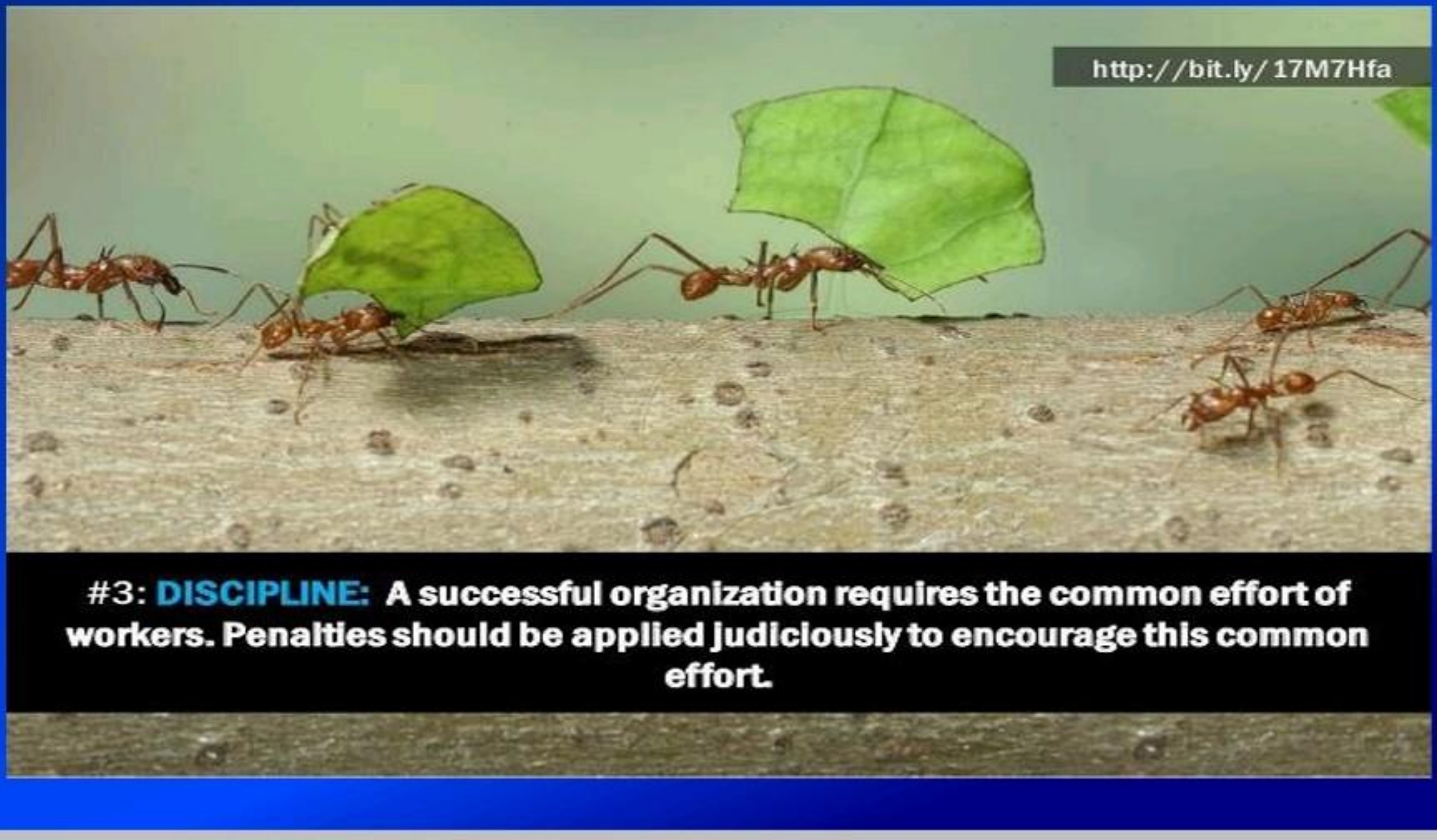


#2: **AUTHORITY**: T he concepts of authority and responsibility are closely related. Authority was defined by Fayol as the right to give orders and the power to exact obedience. Responsibility involves being accountable, and is therefore naturally associated with authority. Whoever assumes authority also assumes responsibility.

Discipline (Rules)

→ Part of the mission & values

→ Employees must obey & respect the rules the govern organization


http://bit.ly/17M7Hfa
#3: DISCIPLINE: A successful organization requires the common effort of workers. Penalties should be applied judiciously to encourage this common effort.

Unity of Command

→Employees should have only one boss

→ Standard Hierarchy (Ex : Regional → Group → National)

http://bit.ly/1dv0FA5
All political parties reported to Prime Minister. He will soon be admitted in the Hospital due to stress
#4: UNITY OF COMMAND: Workers should receive orders from only one manager.

Unity of Direction (One Vision)

→ A single plan of action to guide the organization.

→" United we stand, Divided we fall "

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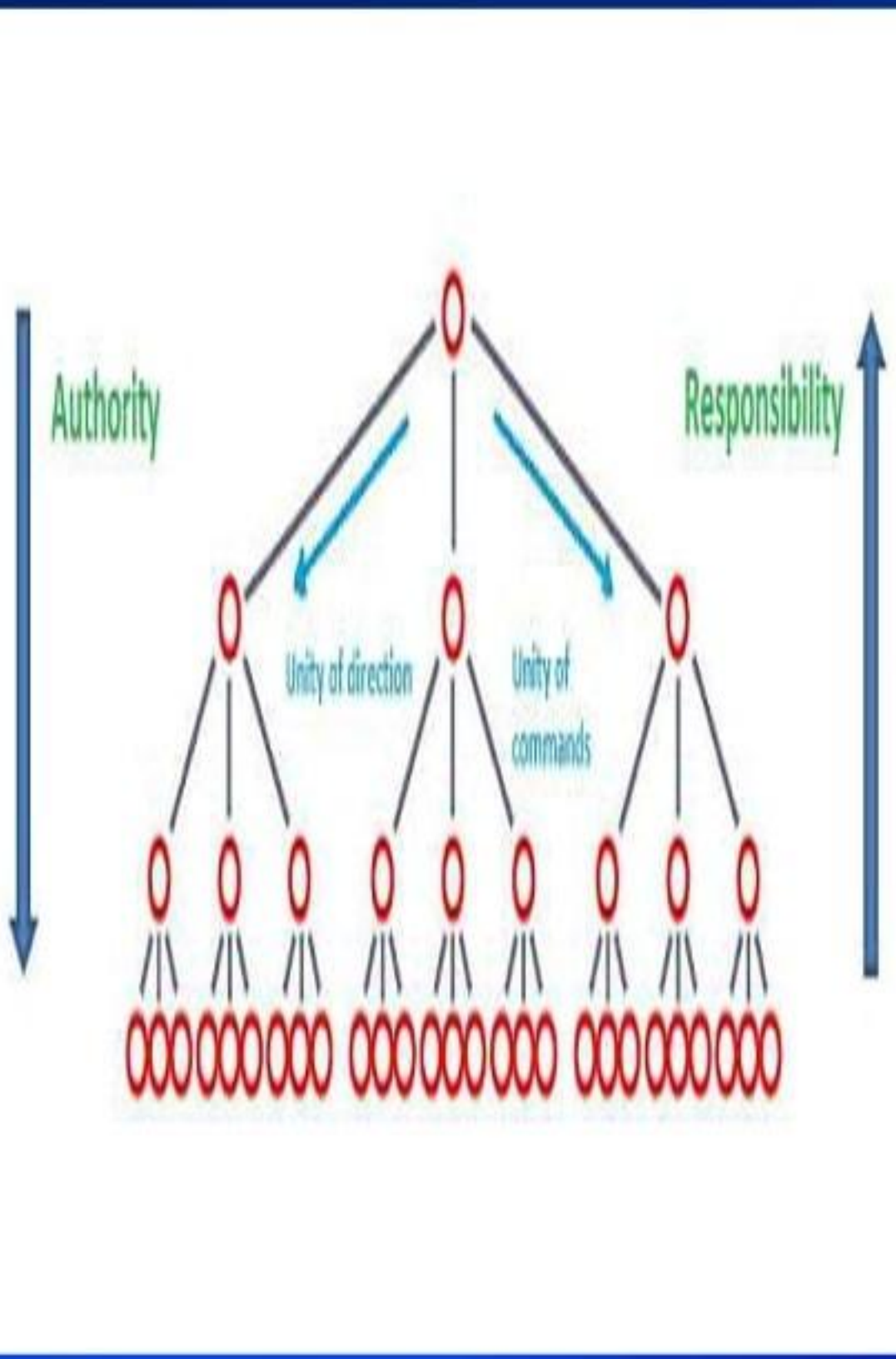
#5: UNITY OF DIRECTION: The entire organization should be moving towards a common objective in a common direction.


Authority
Responsibility
Unity of direction
Unity of commands

Subordinates interest

→ understand their interests first

#6: **SUBORDINATION OF INDIVIDUAL INTERESTS TO THE GENERAL INTERESTS:**

The interests of one person should not take priority over the interests of the organization as a whole.

Remuneration

→ An equitable uniform payment system .

→ Remuneration fairly to keep their motivation levels high

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#7: REMUNERATION: Many variables, such as cost of living, supply of qualified personnel, general business conditions, and success of the business, should be considered in determining a worker's rate of pay.

Centralization

→ **Amount of control that is lying with people in organization**

→ **Organization have both centralization & Decentralization but that are predefined**

Selected group of people have control – Centralization in Large corporate
Higher percentage of people have control – De Centralization in Small Business

#8:**CENTRALIZATION**: The term refers to lowering the importance of the subordinate role. Decentralization is increasing the importance. The degree to which centralization or decentralization should be adopted depends on the specific organization in which the manager is working.

Scalar Chain

→ Chain like authority scale.

→ Arrangement of employees where they will be of the most value to the organization.

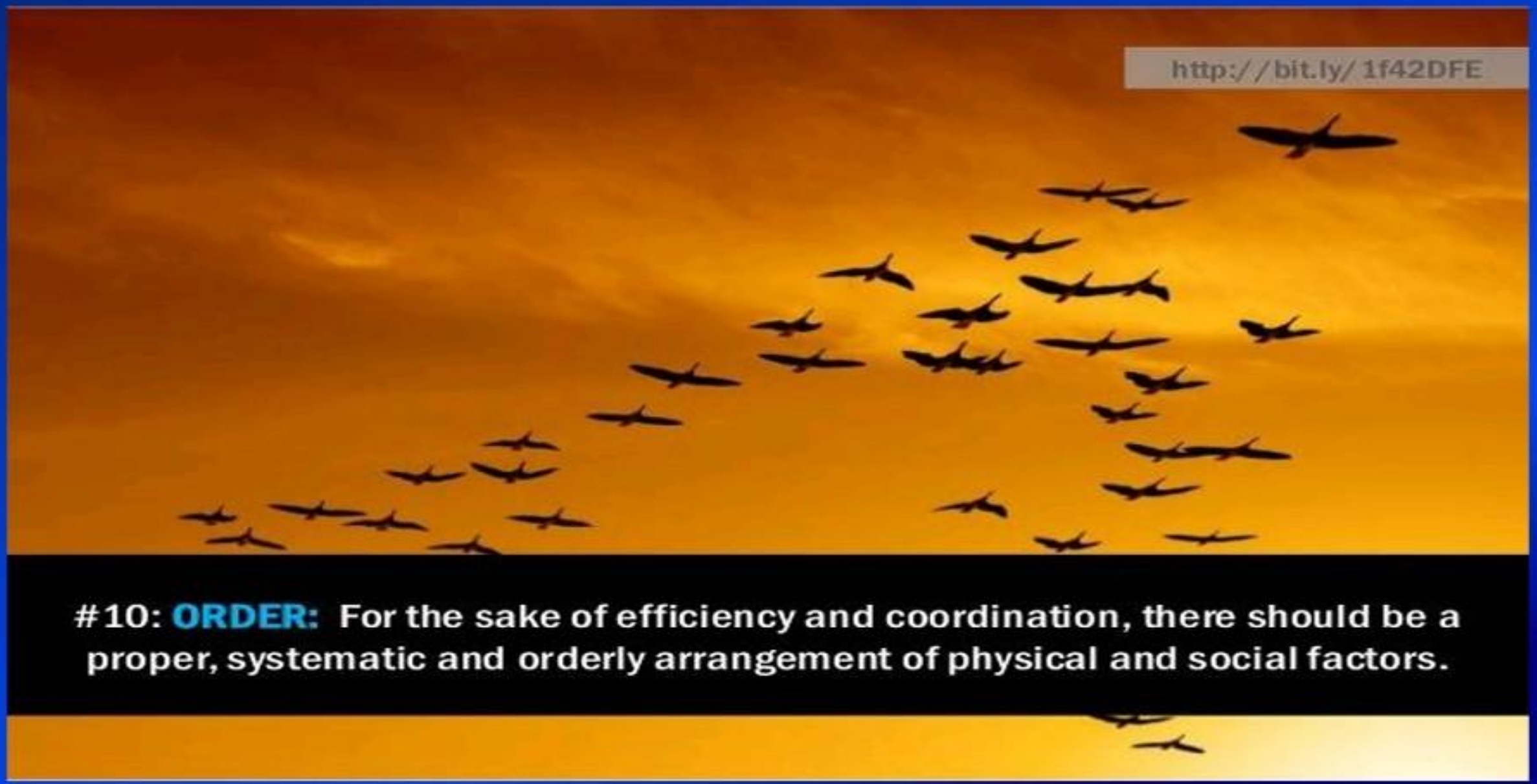
→ Clear line of authority

Ex : Samsung Successful
Customer Complaints (Facing emergencies or climates) with in solved by 7 days

#9: **SCALAR CHAIN**: Managers in hierarchies are part of a chain like authority scale. Each manager, from the first line supervisor to the president, possess certain amounts of authority. The existence of a scalar chain and adherence to it are necessary if the organization is to be successful.

Order

→ Employees need ,Right procedure & equipment maintains at times all


http://bit.ly/1f42DFE
#10: ORDER: For the sake of efficiency and coordination, there should be a proper, systematic and orderly arrangement of physical and social factors.

Equity

→ The provision of justice and fair dealing

Stability of Tenure of Personnel

→ Waste training /development time to spent

#12: **STABILITY OF TENURE OF PERSONNEL:** Retaining productive employees should always be a high priority of management. Recruitment and Selection Costs, as well as increased product-reject rates are usually associated with hiring new workers.

Initiative

→ Employee 's who are allowed to originate & carry plan

http://bit.ly/1f3YSzX
#13: INITIATIVE: Management should take steps to encourage worker initiative, which is defined as new or additional work activity undertaken through self direction.

Esprit de corps

→ Harmony, general good feeling among employees

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#14: ESPIRIT DE CORPS: Management should encourage harmony and general good feelings among employees.

Weber's Ideal Bureaucracy

Division of Labor

Career Orientation

Authority Hierarchy

Bureaucracy Should have

Impersonality

Formal Rules & Regulations

Formal Selection

Human Resources Approach

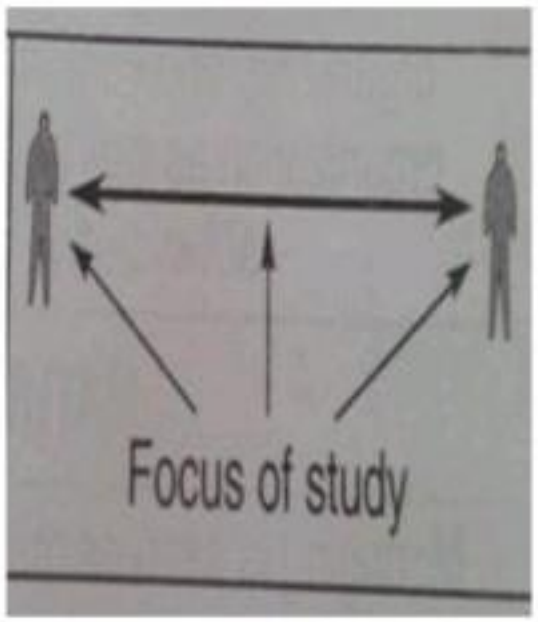
Human relation approach is "being nice to workers".

1.organizations could be viewed from the perspective of individual and group behavior

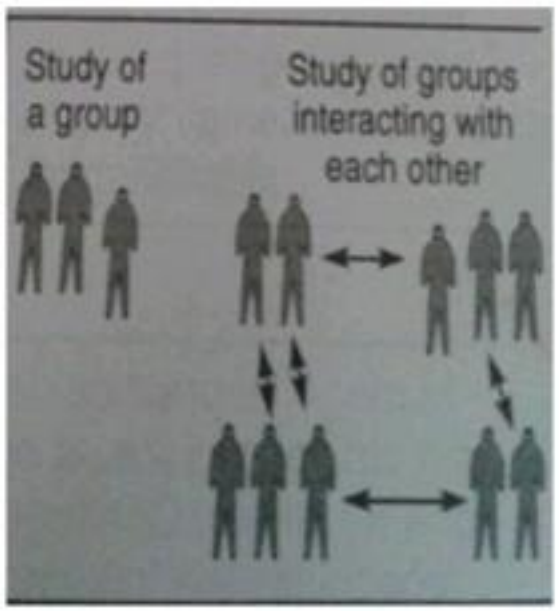
2. Saw organizations as social systems that require human cooperation.

3. Employee satisfaction—a satisfied worker was believed to be a productive worker.

Interpersonal Behavior

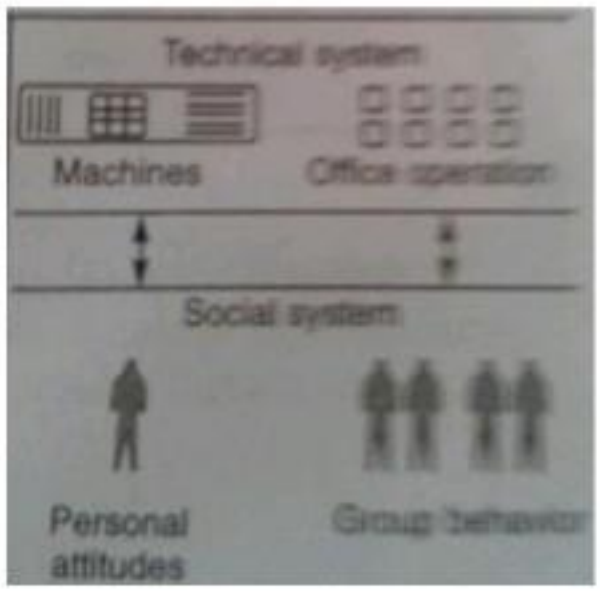


Group Behavior



Cooperative social system

Socio – Technical system



System Approach

Most of the early approaches focused on managers concerns inside the organization

Management researchers began to look at what was happing in the external environment outside the boundaries of organization

Contemporary (Modern) Management

1. System Approach
2. Contingency (Situational) Approach

System Approach

System → It is a set of interrelated & independent parts arranged in a manner that produces a unified whole

Closed system : A system that is not influenced by and does not interact with its environment

Open system: A system that dynamically interacts with its environment

Stakeholders: Any group that is affected By organizational decisions and policies

Environment

It is the "Super System" within which an organization operates. It is the source of external elements the Impinge (interrupt) on the system

A SYSTEM

Inputs
Raw materials
Human Resources
Capital Technology & Information

Outputs
Products & services
Financial results

Employee's work activities
Management activities
Technology & operations methods

Feedback : Control in a dynamic system is achieved by feedback

Types : 1. Positive Feedback
2. Negative Feedback
3. Informational Feedback

Contingency or Situational Approach

Different & changing situations require managers to use different approaches & techniques

Four popular contingency variables

Organization size

(As the size increases , coordination problems increases)

Routineness of task technology

(Organizational structures, Leadership styles, Control system)

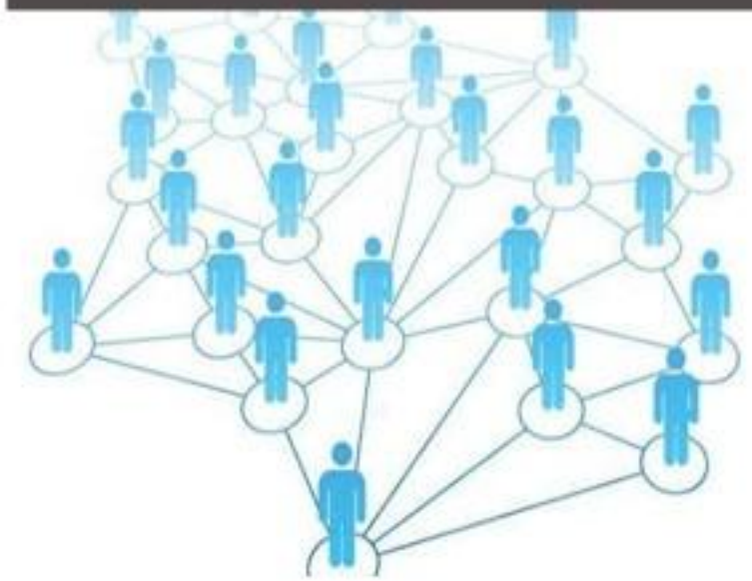
Environmental uncertainty

(Stable & predictable environment better than unpredictable environment)

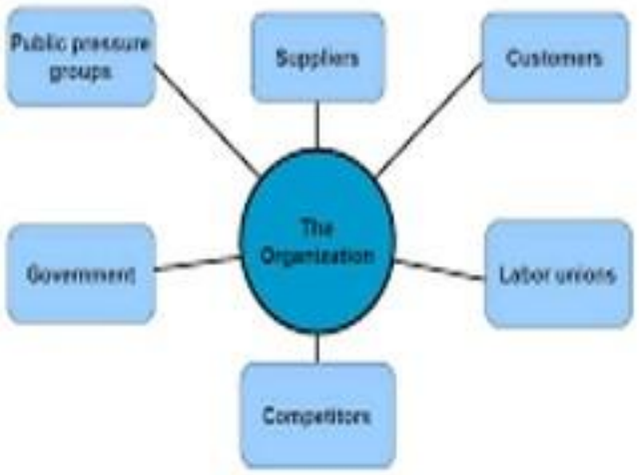
Individual differences

(Desire of growth ,tolerance of doubt & expectations)

UNIT 1 – PART 2
INTRODUCTION TO MANAGEMENT & ORGANIZATION



The Organizational Environment



Types of Business organization - Sole proprietorship, partnership, company-public and private sector enterprises

Organization culture & Environment

Current trends & issues in Management.

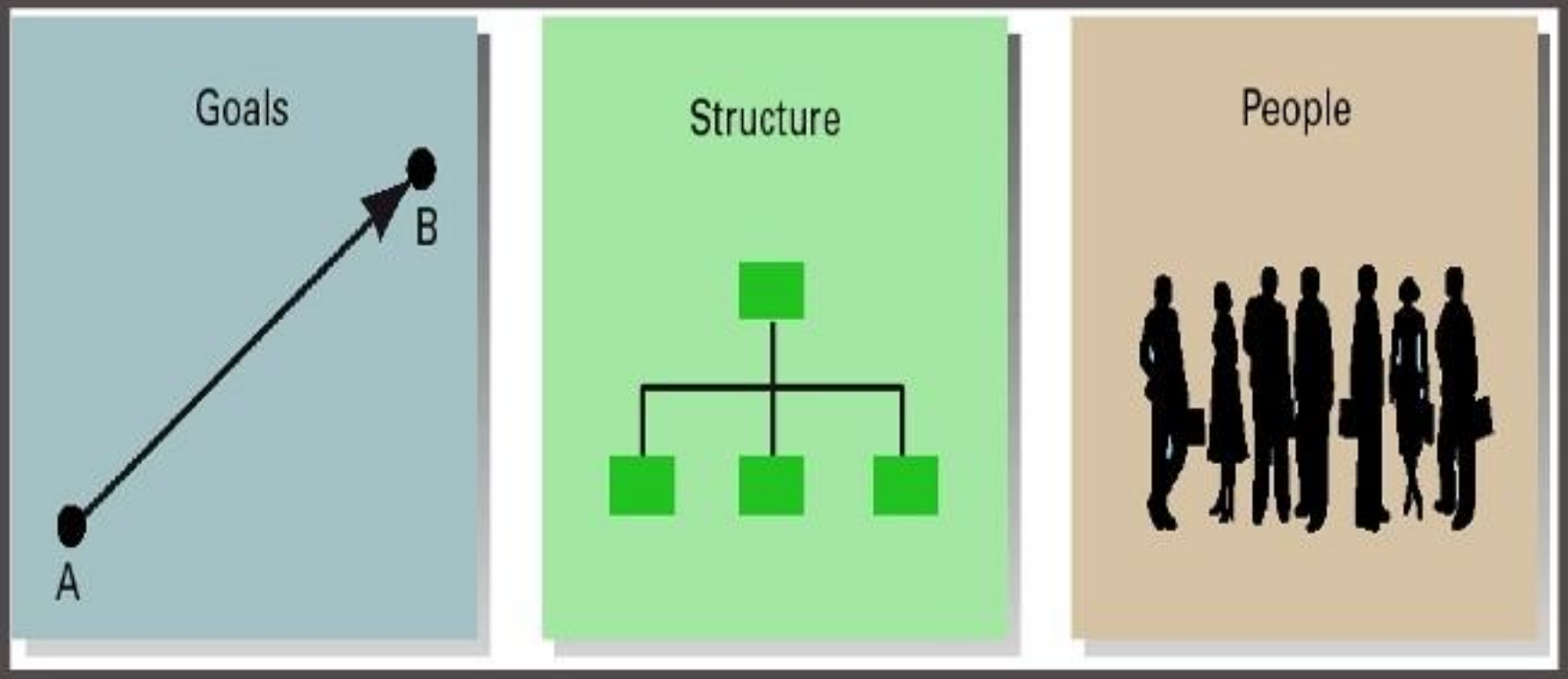
Current Trends and Issues

- Globalization
- Ethics
- Workforce Diversity
- Entrepreneurship
- E-business
- Knowledge Management
- Learning Organizations
- Quality Management

TYPES OF BUSINESS ORGANIZATION

Organization

An organized group of people with a particular purpose, such as a business or government department (for-profit as well as not-for-profit)



Business is an organization that uses economic resources or inputs to provide goods or services to customers in exchange for money or other goods & services

TYPES OF BUSINESS ORGANIZATION

Sole proprietorship

Partnership

Private Limited companies

Public Limited companies

Corporation

Cooperative

ORGANIZATION CULTURE & ENVIRONMENT

The manager: omnipotent or symbolic ?

Omnipotent view: the dominant view in general is that managers are directly responsible for an organization's success or failure.

Symbolic view of management: much of an organization's success or failure is due to external forces outside managers' control.

ORGANIZATION CULTURE

The shared values, principles, traditions & the ways of doing things that influence the way organizational members act.

- **It is the behavior of humans within an organization**
- **It includes the organization vision values, norms, systems, symbols, Language, Assumptions, Beliefs (Attitude) & Habits**

The definition implies three things:

1.Culture is perception (Awareness)

it's not something that can be physically touched or seen.

2.Culture is descriptive (Colorful)

it's concerned with how members perceive the culture, not with whether they like it

3.Culture is shared

Individuals tend to describe the organization's culture in similar terms, even they may have different backgrounds or work at different organizational levels

DIMENSIONS (OR) CHARACTERISTICS OF THE ORGANIZATION CULTURE

Organizational Culture
Attention to Detail
Degree to which employees are expected to exhibit precision, analysis, and attention to detail
Innovation and Risk Taking
Degree to which employees are encouraged to be innovative and to take risks
Outcome Orientation
Degree to which managers focus on results or outcomes rather than on how these outcomes are achieved
Stability
Degree to which organizational decisions and actions emphasize maintaining the status quo
People Orientation
Degree to which management decisions take into account the effects on people in the organization
Aggressiveness
Degree to which employees are aggressive and competitive rather than cooperative
Team Orientation
Degree to which work is organized around teams rather than individuals

STRONG & WEAK CULTURE

Strong culture

organizational cultures in which the key values are intensely (deeply) held and widely shared

Weak culture

Have greater influence on employees than do weaker cultures

Strong Cultures	Weak Cultures
Values widely shared	Values limited to a few people—usually top management
Culture conveys consistent messages about what's important	Culture sends contradictory messages about what's important
Most employees can tell stories about company history or heroes	Employees have little knowledge of company history or heroes
Employees strongly identify with culture	Employees have little identification with culture
Strong connection between shared values and behaviors	Little connection between shared values and behaviors

ESTABLISHING & MAINTAINING CULTURE

HOW EMPLOYEES LEARN CULTURE (OR) ELEMENTS OF ORGANIZATION CULTURE

Invisible Elements

1.Values – What is important in the organization

Major core values are Creativity, Humor, Integrity, Dedication, Mutual Respect, Kindness, contribution to society

2.Beliefs

Best ways to achieve certain goals such as increasing productivity & job motivation

3.Norms

It reflects the typical & accepted behaviors in an organization

→ Quality of work environment

→ People Communication → Typical Leadership

CURRENT ORGANIZATIONAL CULTURE ISSUES FACING MANAGERS

- **Creating an ethical culture**
  - ✓ **Visible Role model**
  - ✓ **Communicate ethical expectations**
  - ✓ **Provides ethics training**
  - ✓ **Visibly reward ethical arts**
  - ✓ **Punish unethical ones**

- **Creating an innovation culture**
  - ✓**Challenge and involvement**
  - ✓ **Freedom**
  - ✓**Trust and openness**
  - ✓**Idea time**
  - ✓**Playfulness/Humor**
  - ✓**Conflict Resolution**
  - ✓**Debates**
  - ✓**Risk taking**

- **Creating a customer-responsive culture**
  - **Type of employees – Customer service friendly & attentive**
  - **Type of Environment – Satisfy customer**
  - **Empowerment – Service oriented employees**
  - **Role Clarity – Reduce uncertainty**

- **Spirituality and organizational culture**
  - **Strong sense of purpose.**
  - **Focus on individual development.**
  - **Trust and openness.**
  - **Employee empowerment.**
  - **Toleration of employee expression**

ORGANIZATION ENVIRONMENT

The organizational environment is a set of forces & conditions such as technology & competition, that are outside the organizations boundaries and have the potential to affect the way of the managers engage in planning & organizing

1.Internal Environment

1.Resources 2.Capabilities 3.Culture

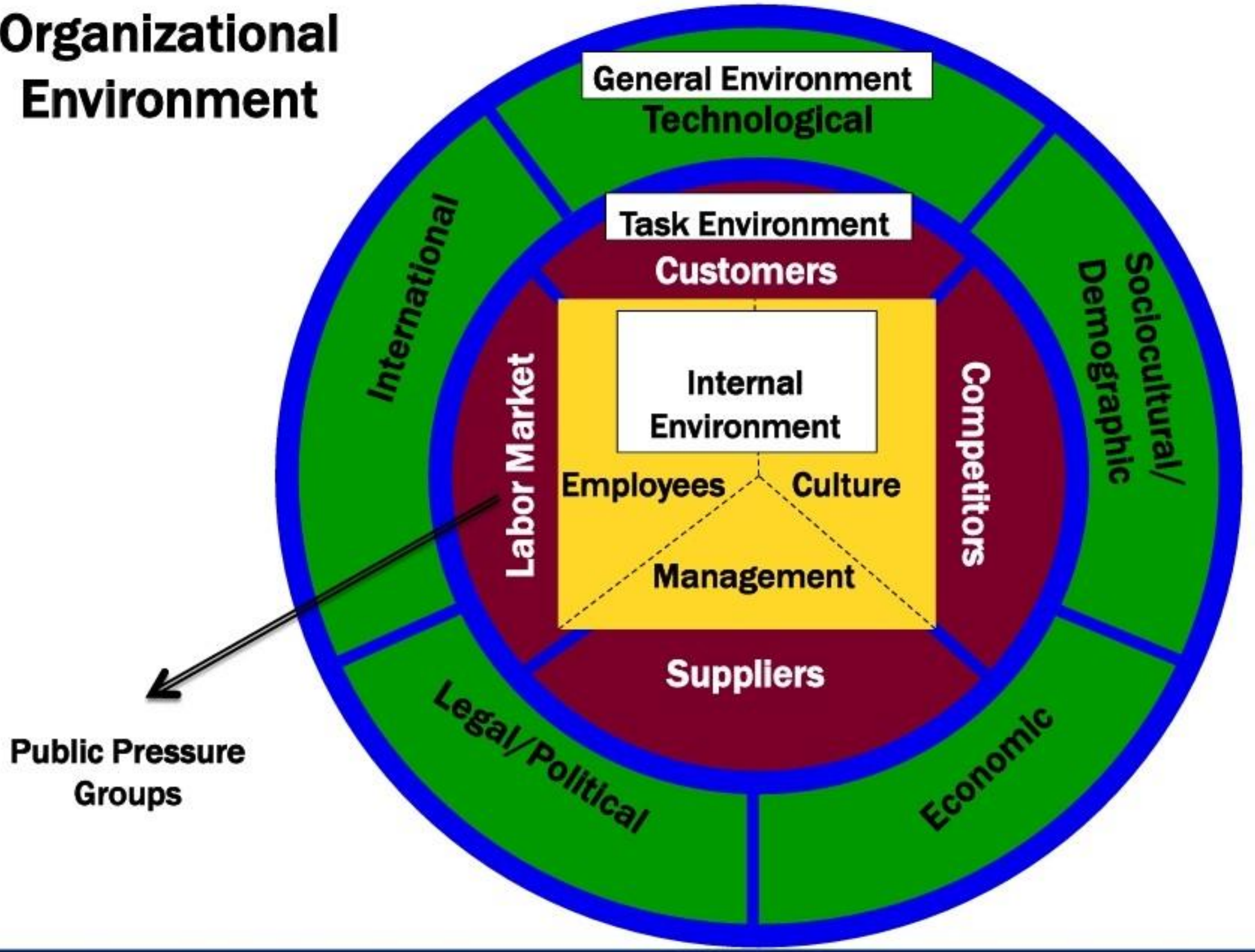
2.External environment

It refers to factors and forces outside the organization that affect the organization's performance.

3.Task or Specific Environment

External forces that directly or indirectly impact managers' decisions and actions and are directly relevant to the achievement of the organization's goals

Organizational Environment



Organization environment includes two components: specific (Task) & general environment.

INTERNAL ENVIRONMENT

Internal environmental factors are

- **Management changes**
- **Employee moral**
- **Culture changes**
- **Financial changes/issues**

Various internal factors are

a)Value of system
b)Mission & Objectives
c)Organization structure
d)Corporate culture
e)Labor Unions
f)Physical Resources
g)Technological capabilities

TASK (OR) SPECIFIC ENVIRONMENT

1.Customers

→ An organization exist to meet the needs of customers who use its output

→Customers taste can change or they can become dissatisfied with the organization's product or services

2.Suppliers

→Managers seek to ensure a steady flow of needed inputs (supplies) at the lowest price possible

→ Organization supplies being delayed or limited in delivery and that can constrain managers

→Example : Supplies of soft drinks, computers, flowers, food, paper products

→Supplies also provide financial & Labor input

TASK (OR) SPECIFIC ENVIRONMENT

3.Competitors

→ **Managers can't afford to ignore the competitors.**

→ **Competitors generally look for higher margin for this provide unique features to its producers**

4.Labor Market (Pressure groups)

→ **special interest groups that attempt to influence the actions of organizations in order to get managers to change some decisions or actions**

Examples : Human rights, Boycotting, consumer's protection societies

PETA – People for Ethical Treatment of Animals .

Distributors : Intermediary between retailers & wholesalers or manufacturer Wholesaler play a vital role in a Task Environment

ENVIRONMENTAL UNCERTAINTY MATRIX

	Stable	Dynamic
Simple	**Cell 1** Stable and predictable environment Few components in environment Components are somewhat similar and remain basically the same Minimal need for sophisticated knowledge of components	**Cell 2** Dynamic and unpredictable environment Few components in environment Components are somewhat similar but are continually changing Minimal need for sophisticated knowledge of components
Complex	**Cell 3** Stable and predictable environment Many components in environment Components are not similar to one another and remain basically the same High need for sophisticated knowledge of components	**Cell 4** Dynamic and unpredictable environment Many components in environment Components are not similar to one another and are continually changing High need for sophisticated knowledge of components